
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): February 28, 2013

BLACKROCK KELSO CAPITAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-33559
(Commission
File Number)

20-2725151
(IRS Employer
Identification Number)

40 East 52nd Street
New York, NY 10022
(Address of principal executive offices)

(212) 810-5800
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 8.01. OTHER EVENTS.

BlackRock Kelso Capital Corporation issued a press release on February 28, 2013. The Registrant's press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

99.1 Press Release, dated February 28, 2013

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BLACKROCK KELSO CAPITAL
CORPORATION

Date: February 28, 2013

By: /s/ Corinne Pankovcin

Name: Corinne Pankovcin

Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit
Number

Description

99.1

Press Release, dated February 28, 2013

BLACKROCK KELSO CAPITAL**Investor Contact:**

Corinne Pankovcin
212.810.5798

Press Contact:

Brian Beades
212.810.5596

BlackRock Kelso Capital Corporation Announces Exercise of Overallotment Option

New York, New York, February 28, 2013 - BlackRock Kelso Capital Corporation (NASDAQ:BKCC) (“BlackRock Kelso Capital” or the “Company”) announced today that in connection with its recent private offering, which closed on February 19, 2013 (the “Offering”), of \$100 million in aggregate principal amount of its 5.50% unsecured convertible senior notes due 2018 (the “Notes”), the initial purchasers of the Notes have fully exercised their overallotment option and have purchased an additional \$15 million in aggregate principal amount of the Notes. The closing of the overallotment option is expected to take place on March 4, 2013. With the exercise of the overallotment option, a total of \$115 million in aggregate principal amount of the Notes have been sold. Net proceeds to the Company from the Offering, including the exercise of the overallotment option, are approximately \$111.3 million. The Notes will only be offered to qualified institutional buyers as defined in the Securities Act of 1933, as amended (the “Securities Act”) pursuant to Rule 144A under the Securities Act.

The Notes are unsecured and bear interest at a rate of 5.50% per year, payable semiannually in arrears. In certain circumstances and during certain periods, the Notes are convertible into cash, shares of BlackRock Kelso Capital’s common stock or a combination of cash and shares of BlackRock Kelso Capital’s common stock, at BlackRock Kelso Capital’s election, at an initial conversion rate of 86.0585 shares of common stock per \$1,000 principal amount of the Notes, which is equivalent to an initial conversion price of approximately \$11.62 per share of BlackRock Kelso Capital’s common stock, subject to customary anti-dilution adjustments. BlackRock Kelso Capital does not have the right to redeem the Notes prior to maturity. The Notes mature on February 15, 2018, unless repurchased or converted in accordance with their terms prior to such date.

BlackRock Kelso Capital expects to use the net proceeds of this offering to reduce outstanding borrowings and for general corporate purposes, including investing in portfolio companies in accordance with its investment objective.

Neither the Notes nor the shares of common stock that may be issued upon conversion are registered under the Securities Act or any state securities laws. Neither the Notes nor the common stock that may be issued upon conversion may be offered or sold in the United States absent the registration or an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws.

This press release is not an offer to sell any securities of the Company and is not soliciting an offer to buy such securities in any state where such offer and sale is not permitted.

About BlackRock Kelso Capital Corporation

Formed in 2005, BlackRock Kelso Capital Corporation is a business development company that provides debt and equity capital to middle-market companies.

Forward-Looking Statements

This press release, and other statements that BlackRock Kelso Capital may make, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act, with respect to BlackRock Kelso Capital’s future financial or business performance, strategies or expectations. Forward-looking statements are typically identified by words or phrases such as “trend,” “potential,” “opportunity,” “pipeline,” “believe,” “comfortable,” “expect,” “anticipate,” “current,” “intention,” “estimate,” “position,” “assume,” “outlook,” “continue,” “remain,” “maintain,” “sustain,” “seek,” “achieve,” and similar expressions, or future or conditional verbs such as “will,” “would,” “should,” “could,” “may” or similar expressions.

BlackRock Kelso Capital cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and BlackRock Kelso Capital assumes no duty to and does not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

In addition to factors previously disclosed in BlackRock Kelso Capital’s Securities and Exchange Commission (the “SEC”) reports and those identified elsewhere in this press release, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: (1) our future operating results; (2) our business prospects and the prospects of our portfolio companies; (3) the impact of investments that we expect to make; (4) our contractual arrangements and relationships with third parties; (5) the dependence of our future success on the general economy and its impact on the industries in which we invest; (6) the ability of our portfolio companies to achieve their objectives; (7) our expected financings and investments; (8) the adequacy of our cash resources and working capital, including our ability to obtain continued financing on favorable terms; (9) the timing of cash flows, if any, from the operations of our portfolio companies; (10) the impact of increased competition; (11) the ability of our investment advisor to locate suitable investments for us and to monitor and administer our investments; (12) potential conflicts of interest in the allocation of opportunities between us and other investment funds managed by our investment advisor or its affiliates; (13) the ability of our investment advisor to attract and retain highly talented professionals; (14) fluctuations in foreign currency exchange rates; and (15) the impact of changes to tax legislation and, generally, our tax position.

BlackRock Kelso Capital’s Annual Report on Form 10-K for the year ended December 31, 2011 filed with the SEC identifies additional factors that can affect forward-looking statements.

Available Information

BlackRock Kelso Capital’s filings with the SEC, press releases, earnings releases and other financial information are available on its website at www.blackrockkelso.com.

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